

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 MUSCAT 000142

SIPDIS

STATE FOR NEA/ARPI (TROBERTS), DRL/IL (JDEMARIA)  
STATE PASS TO USTR (JBUNTIN)  
LABOR FOR ILAB/JSHEA AND HSUDHA

E.O. 12958: N/A

TAGS: [ELAB](#) [ETRD](#) [PREL](#) [MU](#)

SUBJECT: ELECTIONS ESTABLISH OMAN'S FIRST WORKERS'  
COMMITTEES

-----  
SUMMARY  
-----

1. Assistant United States Trade Representative (AUSTR) for Labor William Clatanoff recently met with officials at the Oman Ministry of Manpower and the Under Secretary of Commerce and Industry to discuss trade and labor-related issues. While talks focused on Oman's first elected workers' representational committees, other meetings touched on worker rights, Omanization, labor disputes, and Oman's adherence to core labor standards as defined by the International Labor Organization. End summary.

-----  
AUSTR HIGHLIGHTS IMPORTANCE OF LABOR  
-----

2. AUSTR William Clatanoff visited Oman on January 15 to hold labor consultations with officials from the Ministry of Manpower (MOM) and the Ministry of Commerce and Industry (MOCI). In his opening remarks with Manpower Minister Juma bin Ali bin Juma, Clatanoff stressed the importance of furthering workers' rights in Oman as indicative of Oman's adherence to the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Fourteen staff members and advisors from the Ministry participated in the meeting, illustrating Oman's keen interest in the labor aspects of the proposed Free Trade Agreement.

-----  
Omanization  
-----

3. In subsequent talks with the Ministry's participants from a December 14 digital-video conference on labor issues, AUSTR Clatanoff requested more details on the process of Omanization and its impact on foreign corporations wishing to do business in the Sultanate. MOM stressed the dynamic nature of Omanization, urging AUSTR Clatanoff to consider this a flexible process in which both the private sector and government cooperate to create sector targets. Targets of Omanization are set according to recommendations by Omani and expatriate companies who sit on sector committees and determine appropriate percentages based on negotiations, availability of trained Omanis in various fields, and a given sector's need for expatriate labor.

4. MOM stressed its flexibility in meeting target Omanization rates. If a company cannot meet the target for its sector, for instance, it may appeal to the Ministry to negotiate its employment needs, Omani and expatriate. MOM cited the example of Shangri La Hotels. Unable to meet its 60% Omanization target, the company appealed to MOM for assistance. Both MOM and Shangri La Hotels agreed to a reduced target of 40% with a plan to reach 60% within a specific time frame.

-----  
Workers Representation Committees  
-----

5. Indicative of the recent labor developments in Oman, AUSTR Clatanoff met with 15-20 newly elected representatives of Oman's first Workers Representation Committees. Representing 7 companies, the participants discussed their optimism in the development of workers committees in Oman. According to one participant, "We, as elected representatives, are here to make sure that the labor law is enforced, not cheated." Another participant went on to say that "management is much more careful in taking decisions, knowing that employees have the ability to take issues back to the people."

6. The group's optimism, however, was tempered with commonly heard calls for the committees, and MOM, to take things slow. New to the field of "unions" and

participatory labor, the representatives stressed the time it will take for both employees and employers to understand the function of the committees as well as for workers to understand their rights. "We don't want to rush in and create a problem rather than solve a problem."

17. To date, MOM has visited 56 companies. Of those visited, 15 have held elections for representation committees and 7 committees have been certified from the following firms:

- Oman Refineries
- Saud Bahwan Auto
- OFSIT
- Crowne Plaza
- Galfar Engineering
- Intercontinental
- Grand Hyatt

Moreover, MOM intends to have the Main Committee (a national umbrella committee) established by June. Following its establishment, a delegation of elected representatives will attend the 93rd Session of the ILO's International Labor Conference later that month.

18. In an unexpected gesture, the workers' representation committee from Galfar Engineering, one of the largest employers in Oman, invited AUSTR Clatanoff to visit one of the local Galfar plants. Galfar held committee elections in December and currently has 5 worker representatives. During his visit, AUSTR Clatanoff observed safety and health standards, elicited opinions on the committees, and briefly chatted with expatriate workers, including one individual from India who has worked for Galfar for over 17 years (starting at the current minimum wage of USD 314 a month, he now earns over USD 1830 a month).

-----  
Labor Disputes  
-----

19. AUSTR Clatanoff also met with the Manpower Ministry's Director of Dispute Settlements, Mr. Yaqoub Ali al-Kharboushi, who described the process of dispute settlement in Oman as one of negotiation and transparency. Any individual, Omani or expatriate, may put forth a complaint with one of the six labor dispute centers in Oman, he explained. The dispute center will assign an arbitrator to the case. The arbitrator, in individual meetings with the two parties, attempts to clarify the law as it pertains to the case and make suggestions to resolve the issues. If no compromise is reached, sometimes after 2 or 3 hearings, both sides are asked to submit their positions with supporting documentation. According to Articles 106 and 107 of the 2003 Labor Law, the case is then transferred to the appropriate court, which is typically the Court of First Instance, with labor specialists on the bench. MOM makes no formal recommendations to the court.

110. In his meeting with the newly appointed Under Secretary for Commerce and Industry, Ahmed al-Dheeb,

SIPDIS

AUSTR Clatanoff took the opportunity to thank MOCI for its cooperation and reiterate the importance of Oman's commitments to the ILO in furthering workers' rights. Al-Dheeb commented that in meeting ILO commitments via representation committees, the private sector has expressed concern about overt government protection of employees at the expense of employers' rights. Al-Dheeb invited AUSTR Clatanoff to meet with workers throughout the country to hear the opinions and stories of the expatriate workforce in Oman.

-----  
Comment  
-----

11. These frank discussions with workers' committee representatives, first-hand observations of MOM's labor clearance and employment services operations, and chats with expatriate workers at Galfar Engineering provided AUSTR Clatanoff with a better appreciation of Oman's current labor practices. While issues such as the implicit right to strike (not prohibited by the 2003 Labor Law), the role of collective bargaining with respect to individual contracts, and Arabic language proficiency requirements for elected committee representatives remain contentious, MOM nonetheless reiterated its firm commitment to improving worker's rights and adhering to ILO core labor standards.

BALTIMORE